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South Dakota
Labor Bulletin

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AN INSIGHT INTO UNEMPLOYMENT

Although unemployment figures sometimes have negative connotations, some unemployment is inherent to the labor market. In fact, a certain amount of unemployment should be seen as an asset to the development or expansion of businesses. Without this vital source of labor immediately available to new and expanding businesses, such growth could not take place.

A close look at the many factors involved in unemployment provides an excellent picture of the dynamics within the labor market.

Considering the very nature of the labor market, a certain amount of unemployment is inherent. Sometimes unemployment is a temporary expense of technological advancement. A technological invention, such as the automobile, may wipe out the demand for certain skills, yet also creates a demand for new skills.

Another characteristic inherent to the labor market which automatically leads to some unemployment involves a geographic mismatch. Although there may be qualified workers to fill job openings, they may not be in the same location. While a person seeking a job as a welder may know of an appropriate opening in another area, he or she may not be willing to relocate. Or, it may not be feasible, based on the wage being offered, to consider either moving or commuting to the job.

Some unemployment can simply be attributed to the time lag involved in job hunting. Workers who carefully chose their job are generally more content workers and less likely to switch jobs. Their productivity is therefore often greater. However, while in the process of this careful job search, people are temporarily unemployed.

Another characteristic of the labor market which sometimes inhibits it from reaching its full employment potential is the mismatch of the skills required for available jobs and the skills possessed by those available for work.

Several types of workers face problems finding employment because of a lack of skills. One example is those who are entering the labor force for the first time. Some of these potential workers do not meet the minimum educational requirements, while others who have completed the necessary level of schooling, still face problems because they do not have actual experience in the workplace. These new workers include young and older people alike who are searching for their first jobs.

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UNEMPLOYMENT INVOLVES MANY FACTORS

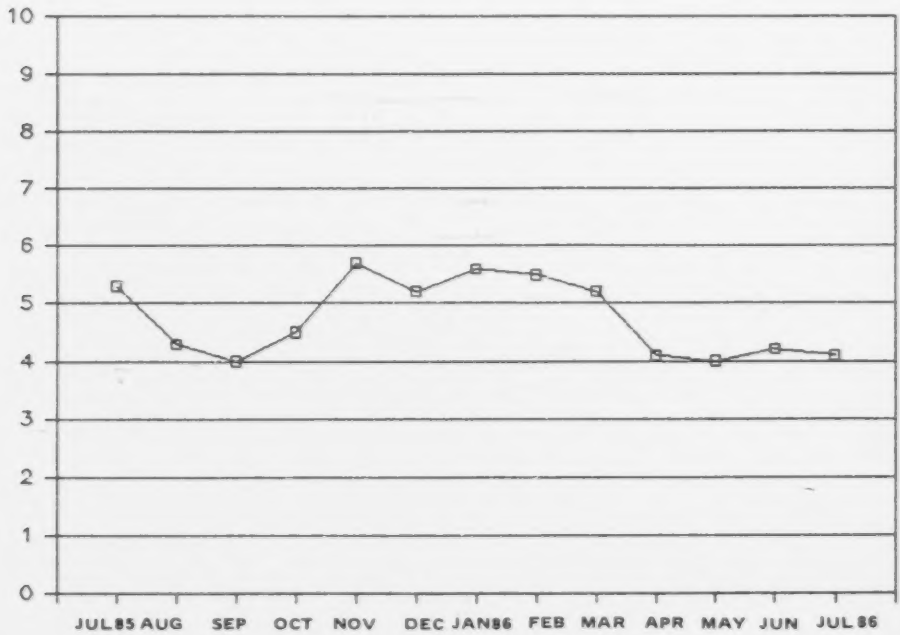
Those who are reentering the labor force and dislocated workers often face these same problems. Those reentering the labor force after several years, such as homemakers who temporarily left work to raise families, often find that the skills they possess are no longer sufficient for the present world of work. Likewise, dislocated workers often find that their skills are not applicable for available jobs. While retraining programs have been designed to address the needs of these workers, such training takes time. Therefore, they temporarily add to unemployment levels.

Yet another factor which contributes to natural unemployment is an imperfect flow of job availability information. While there may be openings for which job seekers qualify, they are sometimes simply not aware of the openings.

Even in periods when the economy is growing and employers are hiring additional workers, unemployment may rise. As more jobs become available, some who are employed will voluntarily leave their jobs in an attempt to advance their careers with better jobs. While between jobs, however, they are considered as unemployed.

When unemployment figures are considered, these many factors which affect them should be considered as well.

SOUTH DAKOTA UNEMPLOYMENT RATES



SOUTH DAKOTA LABOR MARKET IN JULY

Nonfarm wage and salary employment was 251,300 in July, up from the year-ago level of 249,400. The effects of the ending of the school year were evidenced in an over-the-month decrease of 5,800.

Over the year, total nonfarm wage and salary employment rose 1,900 jobs. Growth in each of the service industry sectors (hotels/amusement/personal and business services; medical and health services; and education, membership and social organizations) contributed to its growth of 1,700.

The manufacturing industry also noted an employment increase, up 400 over the year. Growth was also noted in government, largely in the federal sector.

Employment in the finance, insurance and real estate industry remained stable over the year, while decreases were noted in the wholesale/retail trade and the transportation/public utilities industries.

Much of the over-the-month employment decrease in total nonfarm employment was found in government. While federal government employment remained stable over the month, state and local noted decreases of 800 and 6,500 respectively. The ending of the school year for state colleges and universities accounted for a portion of the employment decrease in state government.

END OF SCHOOL YEAR AFFECTS MONTH-TO-MONTH EMPLOYMENT LEVELS

Employment decreases in the local sector were also found mainly in education, once again showing the effects of school closings for the summer. Another factor contributing to the over-the-month decrease in local government employment was the fact that primary election workers, temporarily increasing June employment figures, were no longer employed in July.

All sectors of the construction industry (i.e. building, highway, heavy and special trade) noted increases over the month, for a combined industry increase of 700.

The manufacturing industry noted an increase of 300 jobs over the month. This is the seventh continuous monthly increase and shows evidence of a gradual recovery from 1985 employment declines in this industry. The transportation/public utilities and the services industries also noted over-the-month employment gains of 300 each. Employment in the mining industry remained stable over the month.

The South Dakota unemployment rate was 4.1 percent in July, compared with the year-ago rate of 5.1 percent and the June rate of 4.2 percent. The labor force was approximately 363,700 in July. Approximately 348,700 South Dakotans were employed and 15,000 were unemployed during July.

LABOR FORCE / EMPLOYMENT / UNEMPLOYMENT

	July 1986 (1)				July 1985			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
United States	120,303,000	111,832,000	8,471,000	7.0	117,536,000	108,854,000	8,682,000	7.4
South Dakota	363,700	348,700	15,000	4.1	360,400	342,000	18,300	5.1
Sioux Falls MSA	70,487	68,280	2,207	3.1	68,873	66,141	2,732	4.0
Rapid City MSA	39,707	38,358	1,349	3.4	38,948	37,102	1,846	4.7
Aurora	1,749	1,717	32	1.8	1,668	1,609	59	3.5
Beadle	9,722	9,375	347	3.6	9,524	9,139	385	4.0
Bennett	1,519	1,460	59	3.9	1,433	1,382	51	3.6
Bon Homme	3,694	3,625	69	1.9	3,595	3,477	118	3.3
Brookings	14,037	13,200	837	6.0	13,938	12,999	939	6.7
Brown	20,419	19,468	951	4.7	20,870	19,057	1,813	8.7
Brule	2,865	2,774	91	3.2	2,887	2,751	136	4.7
Buffalo	528	421	107	20.3	536	418	118	22.0
Butte	3,347	3,242	105	3.1	3,508	3,407	101	2.9
Campbell	1,232	1,207	25	2.0	1,220	1,194	26	2.1
Charles Mix	4,657	4,320	337	7.2	4,377	4,140	237	5.4
Clark	2,250	2,012	238	10.6	2,160	1,945	215	10.0
Clay	6,173	5,782	391	6.3	6,130	5,791	339	5.5
Codington	12,248	11,493	755	6.2	11,926	11,109	817	6.9
Corson	1,622	1,460	162	10.0	1,687	1,517	170	10.1
Custer	4,568	4,450	118	2.6	4,732	4,521	211	4.5
Davison	8,782	8,626	156	1.8	8,971	8,632	339	3.8
Day	3,678	3,581	97	2.6	3,696	3,511	185	5.0
Deuel	2,470	2,329	141	5.7	2,400	2,270	130	5.4
Dewey	2,339	2,030	309	13.2	2,271	1,953	318	14.0
Douglas	1,941	1,829	112	5.8	1,862	1,787	75	4.0
Edmunds	2,515	2,444	71	2.8	2,521	2,422	99	3.9
Fall River	4,088	3,976	112	2.7	4,040	3,882	158	3.9
Faulk	1,382	1,365	17	1.2	1,367	1,326	41	3.0
Grant	4,696	4,494	202	4.3	4,565	4,374	191	4.2
Gregory	2,648	2,587	61	2.3	2,727	2,630	97	3.6
Haakon	1,206	1,183	23	1.9	1,271	1,251	20	1.6
Hamlin	2,534	2,410	124	4.9	2,521	2,399	122	4.8
Hand	2,343	2,301	42	1.8	2,267	2,228	39	1.7
Hanson	1,673	1,580	93	5.6	1,652	1,615	37	2.2
Harding	847	836	11	1.3	921	901	20	2.2
Hughes	9,083	8,816	267	2.9	8,741	8,333	408	4.7
Hutchinson	4,556	4,40	147	3.2	4,496	4,417	79	1.8
Hyde	924	894	30	3.2	912	878	34	3.7
Jackson	2,192	2,080	112	5.1	1,916	1,839	77	4.0

LABOR FORCE / EMPLOYMENT / UNEMPLOYMENT

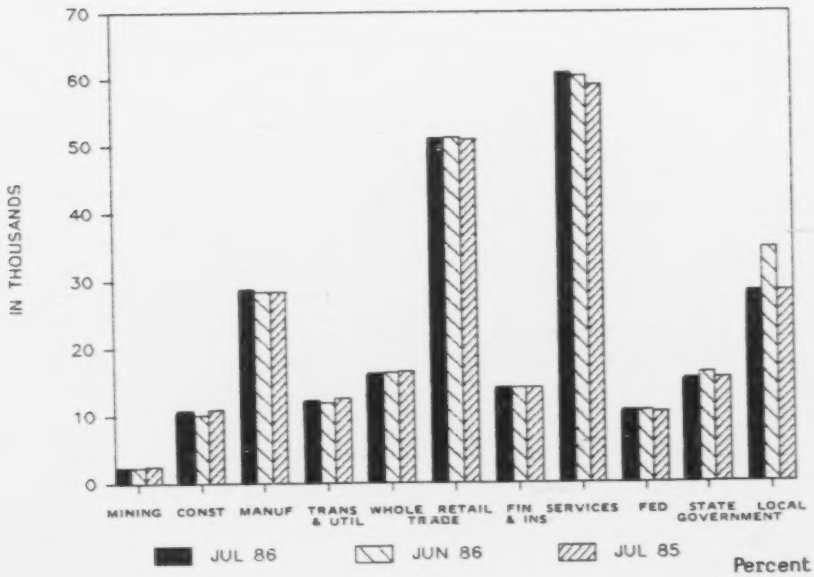
	July 1986 (1)				July 1985			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
Jerauld	1,265	1,254	11	0.9	1,283	1,257	26	2.0
Jones	790	771	19	2.4	799	785	14	1.8
Kingsbury	3,328	3,216	112	3.4	3,244	3,161	83	2.6
Lake	4,934	4,650	284	5.8	4,951	4,653	298	6.0
Lawrence	10,117	9,745	372	3.7	10,226	9,727	499	4.9
Lincoln	6,902	6,671	231	3.3	7,172	6,807	365	5.1
Lyman	1,799	1,700	99	5.5	1,799	1,692	107	5.9
McCook	3,059	2,964	95	3.1	2,986	2,856	130	4.4
McPherson	1,873	1,835	38	2.0	1,821	1,776	45	2.5
Marshall	2,366	2,307	59	2.5	2,415	2,338	77	3.2
Meade	9,494	9,147	347	3.7	9,726	9,389	337	3.5
Mellette	931	860	71	7.6	874	787	87	10.0
Miner	1,500	1,431	69	4.6	1,465	1,428	37	2.5
Minnehaha	70,487	68,280	2,207	3.1	68,873	66,141	2,732	4.0
Moody	3,697	3,438	259	7.0	3,493	3,272	221	6.3
Pennington	39,707	38,358	1,349	3.4	38,948	37,102	1,846	4.7
Perkins	2,765	2,727	38	1.4	2,885	2,773	112	3.9
Potter	1,697	1,642	55	3.2	1,690	1,621	69	4.1
Roberts	4,870	4,607	263	5.4	4,805	4,545	260	5.4
Sanborn	1,314	1,280	34	2.6	1,267	1,222	45	3.6
Shannon	2,824	2,184	640	22.7	2,881	2,116	765	26.6
Spink	4,044	3,989	55	1.4	4,114	3,927	187	4.5
Stanley	1,636	1,583	53	3.2	1,584	1,515	69	4.4
Sully	1,029	1,012	17	1.7	990	945	45	4.5
Todd	2,488	2,206	282	11.3	2,460	2,168	292	11.9
Tripp	3,548	3,483	65	1.8	3,610	3,511	99	2.7
Turner	4,547	4,414	133	2.9	4,605	4,469	136	3.0
Union	5,523	5,228	295	5.3	5,514	5,167	347	6.3
Walworth	3,244	3,124	120	3.7	3,189	3,063	126	4.0
Yankton	10,427	10,000	427	4.1	10,404	9,883	521	5.0
Ziebach	921	799	122	13.2	974	824	150	15.4

(1) Preliminary data subject to revision.

(2) Labor Force estimates include employed and unemployed civilians 16 years old and older by place of residence.

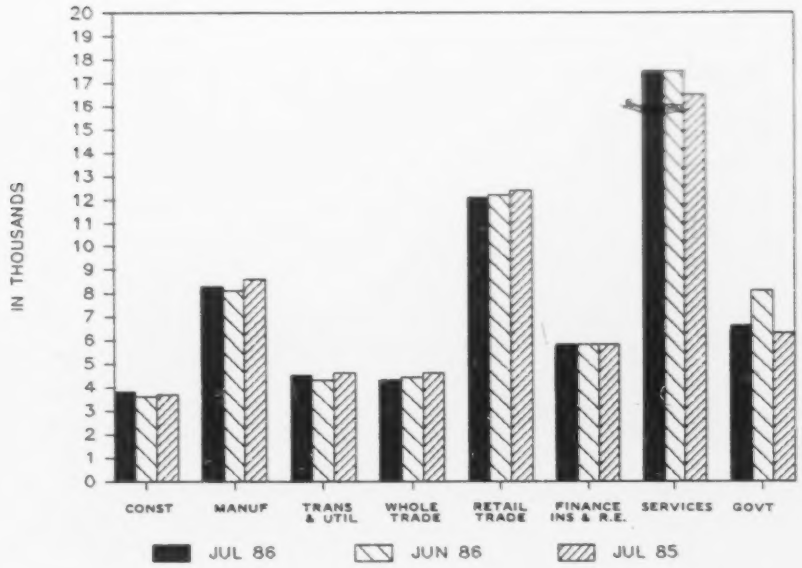
(3) The seasonally adjusted rates which were announced by the national government were 6.9 and 7.3. The data in this table are not seasonally adjusted.

SOUTH DAKOTA NONFARM WAGE AND SALARY EMPLOYMENT



	JULY 1986	JUNE 1986	JULY 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	251.3	257.1	249.4	-2.3	.8
MINING	2.4	2.4	2.5	.0	-4.0
CONSTRUCTION	10.9	10.2	11.0	6.9	-.9
MANUFACTURING	28.7	28.4	28.3	1.1	1.4
Durable Goods	15.9	15.6	15.4	1.9	3.2
Fabricated Metals & Machinery	9.5	9.4	9.2	1.1	3.3
Nondurable Goods	12.8	12.8	12.9	.0	-.8
Food & Kindred Products	7.6	7.5	7.5	1.3	1.3
Paper, Printing & Publishing	2.7	2.7	2.7	.0	.0
TRANSPORTATION AND PUBLIC UTILITIES	12.3	12.0	12.6	2.5	-2.4
Transportation	7.2	7.1	7.3	1.4	-1.4
Communication	2.7	2.6	3.0	3.8	-10.0
Electric/Gas/Sanitary Services	2.3	2.3	2.3	.0	.0
WHOLESALE AND RETAIL TRADE	67.4	67.7	67.5	-.4	-.1
Wholesale Trade	16.2	16.4	16.5	-1.2	-1.8
Durable Goods	7.3	7.2	7.7	1.4	-5.2
Nondurable Goods	8.9	9.2	8.8	-3.3	1.1
Retail Trade	51.2	51.3	51.0	-.2	.4
FINANCE, INSURANCE AND REAL ESTATE	14.1	14.1	14.1	.0	.0
SERVICES	60.8	60.5	59.1	.5	2.9
Hotels, Amuse., Pers. & Business	17.3	17.2	16.8	.6	3.0
Medical and Health	23.3	23.3	22.6	.0	3.1
Educational, Membership & Social	16.5	16.5	16.0	.0	3.1
GOVERNMENT	54.6	61.8	54.2	-11.7	.7
Federal	10.8	10.8	10.5	.0	2.9
State	15.4	16.2	15.4	-4.9	.0
State Education	4.7	5.7	4.7	-17.5	.0
Local	28.3	34.8	28.3	-18.7	.0
Local Education	12.6	18.4	12.9	-31.5	-2.3

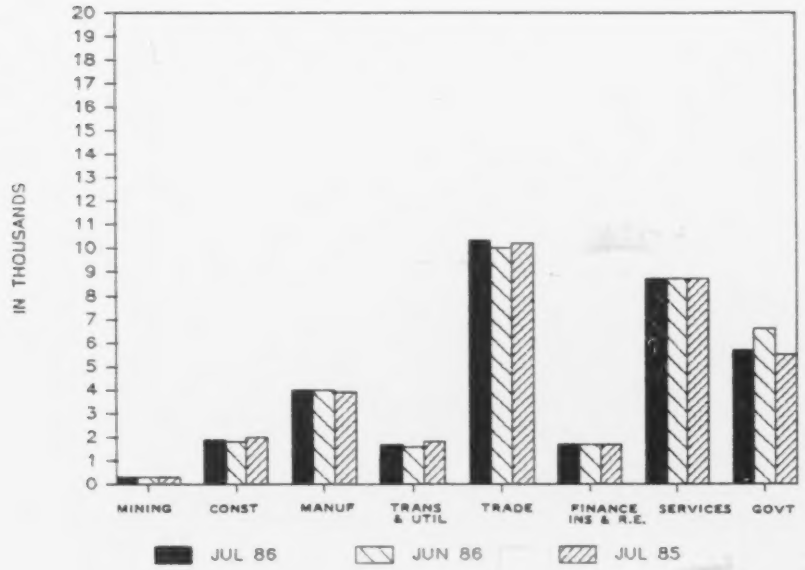
SIOUX FALLS MSA NONFARM WAGE AND SALARY EMPLOYMENT



	JULY 1986	JUNE 1986	JULY 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	63.0	64.1	62.6	-1.7	.6
1/ MINING	--	--	--	--	--
CONSTRUCTION	3.8	3.6	3.7	5.6	2.7
MANUFACTURING	8.3	8.1	8.6	2.5	-3.5
TRANSPORTATION AND PUBLIC UTIL.	4.5	4.3	4.6	4.7	-2.2
TRADE	16.4	16.6	17.0	-1.2	-3.5
Wholesale Trade	4.3	4.4	4.6	-2.3	-6.5
Retail Trade	12.1	12.2	12.4	-.8	-2.4
FINANCE, INS. & REAL ESTATE.	5.8	5.8	5.8	.0	.0
SERVICES	17.5	17.5	16.5	.0	6.1
GOVERNMENT	6.6	8.1	6.3	-18.5	4.8

1/ Mining employment not published, employment less than 100 workers.

RAPID CITY MSA NONFARM WAGE AND SALARY EMPLOYMENT



	JULY 1986 P	JUNE 1986	JULY 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	34.3	34.6	34.1	-.9	.6
MINING	0.3	0.3	0.3	.0	.0
CONSTRUCTION	1.9	1.8	2.0	5.6	-5.0
MANUFACTURING	4.0	4.0	3.9	.0	2.6
TRANSPORTATION AND PUBLIC UTIL.	1.7	1.6	1.8	6.3	-5.6
TRADE	10.3	10.0	10.2	3.0	1.0
FINANCE, INS. & REAL ESTATE.	1.7	1.7	1.7	.0	.0
SERVICES	8.7	8.7	8.7	.0	.0
GOVERNMENT	5.7	6.6	5.5	-13.6	3.6

The figures on Pages 6, 7 and 8 include almost all nonfarm wage earners (full and part-time) but exclude the self-employed. They are derived from a monthly sample survey of South Dakota nonagricultural establiishments and include workers on the payroll for the week including the 12th of the month. These tables compare the current month's employment totals of the major industry groups to the totals of the previous month and year.

NOTE: The data on pages 4, 5, 6, 7 and 8 and the Hours and Earnings of Production and Related Workers data on page 9 are developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

HOURS AND EARNINGS OF PRODUCTION & RELATED WORKERS

	Number of Production Workers			Average Weekly Hours		
	JULY 1986	JUNE 1986	JULY 1985	JULY 1986	JUNE 1986	JULY 1985
South Dakota Statewide						
Manufacturing.....	21,800	21,447	21,733	42.4	41.8	41.9
Durable Goods.....	12,517	12,215	12,171	42.0	42.1	40.8
Nondurable Goods..	9,283	9,232	9,562	42.9	41.3	43.4
Sioux Falls MSA						
Manufacturing.....	6,319	6,188	6,455	46.7	46.0	47.7

	Average Weekly Earnings			Average Hourly Earnings		
	JULY 1986	JUNE 1986	JULY 1985	JULY 1986	JUNE 1986	JULY 1985
South Dakota Statewide						
Manufacturing.....	$325.63	$323.95	$311.74	$7.68	$7.75	$7.44
Durable Goods.....	306.18	308.17	298.66	7.29	7.32	7.32
Nondurable Goods..	351.78	344.03	328.54	8.20	8.33	7.57
Sioux Falls MSA						
Manufacturing.....	$375.00	$367.54	$353.46	$8.03	$7.99	$7.41

The term "production and related workers" includes supervisors and all nonsupervisory workers engaged in fabricating, processing, assembling, inspecting, warehousing, shipping, maintaining, recordkeeping and other services closely associated with production operations. The data cover full and part-time employees who worked during or received pay for the payroll period that includes the 12th of the month. Persons on sick leave, vacations, or holidays, and being paid for that period by their employer, are considered employed. Payroll and worker-hour data are collected for production and related workers in manufacturing industries.

CONSUMER PRICE INDEX ALL URBAN CONSUMERS

1967=100	JUNE 1986	MAY 1986	JUNE 1985	Percent Change From Last Month	Percent Change From Last Year
All Items.....	327.9	326.3	322.3	.5	1.7
Food & Beverages....	309.5	309.4	301.4	.0	2.7
Housing.....	361.2	358.5	350.4	.8	3.1
Apparel.....	204.5	206.4	204.6	-.9	.0
Transportation.....	308.6	305.7	321.8	.9	-4.1
Medical Care.....	432.0	429.7	401.7	.5	7.5
Entertainment.....	273.9	272.9	264.8	.4	3.4

The Consumer Price Index is a widely watched national indicator of inflation. It is a measure of change, over time, in the prices of goods and services in major expenditure groups typically purchased by urban consumers. It measures the change in prices by comparing what a sample "market basket" of goods and services costs today with what the same sample "market basket" cost at an earlier date.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF THE INSURED UNEMPLOYED[1]

NUMBER

	JULY 1986	JUNE 1986	JULY 1985
Sex, Total	2,385	2,404	3,155
Male	1,065	1,147	1,204
Female	1,320	1,257	1,951
Race, Total	2,385	2,404	3,155
White	1,932	2,087	2,732
Nonwhite	453	317	423
Age, Total	2,385	2,404	3,155
Under 45	1,739	1,772	2,425
Over 45	646	632	730
[2] Industry, Total	2,385	2,404	3,155
Mining	15	12	28
Construction	175	249	181
Manufacturing	588	673	1,414
Transportation & Public Utilities	77	88	66
Trade	578	582	592
Finance, Insurance & Real Estate	61	67	63
Services	707	607	633
Government	184	126	178
[2] Occupation, Total	2,385	2,404	3,155
Professional & Managerial	377	319	387
Clerical and Sales	620	569	622
Services	384	366	328
Processing	49	62	83
Machine Trade	127	132	90
Benchwork	364	402	1,100
Structural Work	254	359	323
Other	210	195	222
Duration of Current Unemployment			
Total	2,385	2,404	3,155
1-2 Weeks	353	483	763
3-4 Weeks	389	278	510
5-14 Weeks	1,034	922	1,197
15 Weeks & Over	609	721	685

[1] The insured unemployed are those unemployed persons who had worked for employers covered by South Dakota's Unemployment Insurance Laws, and who are eligible for unemployment compensation.

[2] Refers to industry and occupation involvement prior to unemployment.

SELECTED LABOR DEPARTMENT ACTIVITIES

	JULY 1986	JUNE 1986	JULY 1985	Percent Change From Last Month	Percent Change From Last Year
UNEMPLOYMENT INSURANCE					
A. Initial Claims.....	1,976	2,118	2,400	-6.7	-17.7
B. Weeks Claimed.....	12,390	10,173	15,188	21.8	-18.4
C. Amount of Benefit Payments..$	966,938	$ 805,780	$ 948,172	20.0	2.0
D. Unemployment Trust Fund Bal.$	34,727,900	$32,986,500	$29,979,000	5.3	15.8
JOB SERVICE					
E. Applicants Available (New and Renewals).....	N/A	5,927	10,773	N/A	N/A
F. Nonfarm Placements.....	N/A	6,738	5,869	N/A	N/A
G. Nonfarm Job Openings.....	N/A	7,743	6,830	N/A	N/A

	July 1986
H. Unemployment Insurance Savings	$103,668

Aid to Families with Dependent Children (ADC) Recipients	July 1986 People	July 1986 Savings in Dollars
I. Employed.....	31	$6,742
J. Partial Employment.....	73	$6,784

The data in this table are taken from the records of the state unemployment insurance program, the state Job Service system, and the South Dakota Department of Social Services.

A. Initial Claims - The total number of first claims for unemployment compensation.

B. Weeks Claimed - The total number of weeks for which claimants received compensation under the state Unemployment Insurance program.

C. Amount of Benefit Payments - The total amount of money paid to claimants through our state program.

D. Unemployment Trust Fund Balance - The fund to which all required Unemployment Insurance taxes are paid and from which all benefits to claimants are paid.

E. Applicants Available (New and Renewals) - The total number of different individuals who registered or renewed their applications for work at Job Service offices in the state.

F. Nonag Placements - A count of the number of times during the month that Job Service applicants were hired by nonfarm employers.

G. Nonag Job Openings - A count of new job openings received during the month by South Dakota Job Service offices from nonfarm employers.

H. Unemployment Insurance Savings - Estimated dollars saved due to placement of Unemployment Insurance claimants by Job Service.

I. Employed - The number of people no longer needing ADC and the dollars saved due to their employment.

J. Partial Employment - The number of people with reduced ADC payments and the dollars saved due to their partial employment.

South Dakota
Labor Bulletin

BULK RATE

PRESORTED 3RD CLASS MAIL
POSTAGE & FEES PAID
U.S. Department of Labor
Permit NO. G-12

Labor Market Information Center
P.O. Box 4730
Aberdeen, South Dakota 57402-4730

Official Business
Penalty for Private Use $300

Congress Information Center
SRI 4520 East
West Highway
Bethesda, MD 20814

FORWARDING AND ADDRESS CORRECTION REQUESTED

UNEMPLOYMENT INSURANCE SEMINARS SCHEDULED FOR EMPLOYERS

A series of seminars for employers on the Unemployment Insurance Program will be held across the state in September.

The seminars will explain the Unemployment Insurance Program, how it affects employers, the various benefits available through the program and how to manage employer costs.

The seminars are scheduled for:

Date	Location	Time
Sept. 22	Aberdeen, Holiday Inn	7:30 a.m.
Sept. 22	Watertown, Drake Inn	12:00 Noon
Sept. 23	Brookings, Staurolite Inn	7:30 a.m.
Sept. 23	Sioux Falls, Downtown Holiday Inn	12:00 Noon
Sept. 24	Yankton, Yankton Inn	7:30 a.m.
Sept. 24	Mitchell, Holiday Inn	12:00 Noon
Sept. 24	Huron, Hickory House Motor Inn	4:00 p.m.
Sept. 25	Rapid City, Alex Johnson Hotel	12:00 Noon

REGISTRATION FEE: $15.00 Per Person
Includes breakfast or lunch or refreshments/appetizers

ADVANCE REGISTRATION REQUESTED: CALL 1-800-742-8112 or 224-6161

REGISTRATION FORM: Return with check to: Industry & Commerce Association
P. O. Box 190, Pierre, SD 57501

Name_____ Tile_____

Firm_____ Phone_____

Address_____
Street/P.O. Box City Zip

Location of seminar you will be attending_____

_____ Check is enclosed. Please list other participants separately.

JOB SERVICE OF SOUTH DAKOTA

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